



The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

Pacific Northwest and Arizona Marketing Areas

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Volume 43, No. 7

July 2017

Data for June 2017

MARKET SUMMARIES FOR JUNE

Pacific Northwest (FO 124)

Producers delivered a total of 615.9 million pounds of milk to the market during June. Daily deliveries averaged 20.5 million pounds, up 0.5 percent from May. An estimated 445 producers delivered milk to the market during the month. Daily deliveries per producer averaged 46,133 pounds, up 0.5 percent from May.

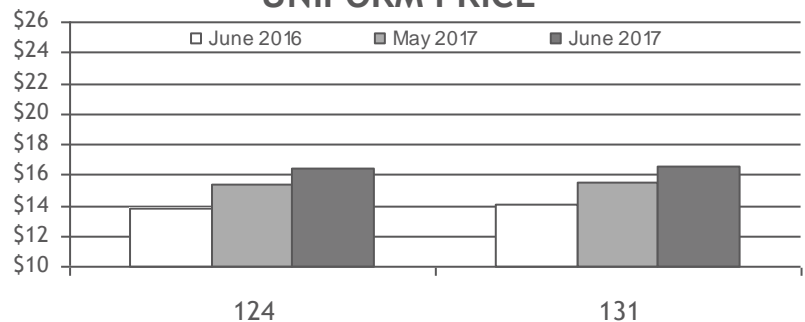
Class I producer milk during June totaled 151.9 million pounds, 24.7 percent of total producer receipts. Daily usage averaged 5.1 million pounds, down 3.6 percent from May. 🐄

Arizona (FO 131)

Producers delivered a total of 433.0 million pounds of milk to the market during June. Daily deliveries averaged 14.4 million pounds, unchanged from May. An estimated 89 producers delivered milk to the market during the month. Daily deliveries per producer averaged 162,163 pounds, up slightly from May.

Class I producer milk during June totaled 101.7 million pounds, 23.5 percent of total producer receipts. Daily usage averaged 3.4 million pounds, down 2.5 percent from May. 🐄

UNIFORM PRICE



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	May	June	May	June
Uniform Price (at 3.5%)	\$15.43	\$16.49	\$15.53	\$16.59
Uniform Price (at test)	\$16.67	\$17.63	\$15.63	\$16.75
PPD	(\$0.14)	\$0.05		
Butterfat	\$2.4134	\$2.7066	n/a	
Protein	\$1.7723	\$1.7545		
Other Solids	\$0.3196	\$0.3014		
Uniform Skim			\$7.34	\$7.54
Uniform Butterfat	n/a		\$2.4129	\$2.6615
Butterfat	3.877%	3.820%	3.545%	3.561%
Protein	3.170%	3.136%	n/a	
Other Solids	5.747%	5.753%		

HIGHLIGHTS THIS ISSUE

- ✓ Number of Producers and Pounds of Milk: May 2017
- ✓ Pounds of Producer Milk by County: May 2017
- ✓ Dairy Market News 101: Understanding Market Reports

Federal Order Price Summaries

FINAL CLASS PRICES

The June 2017 Final Class Prices were calculated using AMS commodity price surveys from June 3, 10, 17, and 24, 2017. Current and archived Final Class Price announcements are available at www.fmmaseattle.com/classcomponent.html.

FINAL	Class I (FO124)	Class I (FO131)	Class II	Class III	Class IV	Butterfat	Protein	Other Solids	Nonfat Solids
May 2017	\$17.10	\$17.55	\$14.84	\$15.57	\$14.49	\$2.4134	\$1.7723	\$0.3196	\$0.6956
Jun 2017	\$17.21	\$17.66	\$16.15	\$16.44	\$15.89	\$2.7066	\$1.7545	\$0.3014	\$0.7384
Change	\$0.11	\$0.11	\$1.31	\$0.87	\$1.40	\$0.2932	(\$0.0178)	(\$0.0182)	\$0.0428

ADVANCED CLASS I PRICE

The August 2017 Advanced Price was calculated using AMS commodity price surveys from July 8 and 15, 2017. Current and archived Advanced Price announcements are available at www.fmmaseattle.com/advance.html.

ADVANCED	Butterfat	Class III Skim	Class IV Skim	Base Skim	Base Class I	Class I (FO124)	Class I (FO131)	Class II Skim	Class II Non- fat Solids
Jul 2017	\$2.7212	\$7.32	\$6.71	\$7.32	\$16.59	\$18.49	\$18.94	\$7.41	\$0.8233
Aug 2017	\$2.9719	\$5.07	\$6.55	\$6.55	\$16.72	\$18.62	\$19.07	\$7.25	\$0.8056
Change	\$0.2507	(\$2.25)	(\$0.16)	(\$0.77)	\$0.13	\$0.13	\$0.13	(\$0.16)	(\$0.0177)

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION


	May	June	Change
Cheese	\$1.5390	\$1.6293	\$0.0903
Butter	\$2.1644	\$2.4065	\$0.2421
Nonfat Dry Milk	\$0.8704	\$0.9137	\$0.0433
Whey	\$0.5094	\$0.4917	(\$0.0177)

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	July	August	Change
Cheese	\$1.6412	\$1.5266	(\$0.1146)
Butter	\$2.4186	\$2.6256	\$0.2070
Nonfat Dry Milk	\$0.9208	\$0.9026	(\$0.0182)
Whey	\$0.4962	\$0.4489	(\$0.0473)

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a decrease in prices received for 40-pound blocks and for 500-pound barrels. The survey of 40-pound blocks showed a decrease of 11.64 cents between the June 17 and the July 15 surveys, to \$1.5893 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a decrease of 10.49 cents to \$1.4178 per pound.

The AMS butter price showed a net increase of 15.47 cents between the weeks ending June 17 and July 15 from \$2.4539 per pound to \$2.6086 per pound. The AMS nonfat dry milk showed a net decrease of 1.70 cents since mid-June to \$0.9028 per pound. The average price for AMS whey showed a decrease of 4.53 cents since mid-June to \$0.4467 per pound. 

Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Jun 2017	May 2017	Jun 2016	May 2016	Jun 2017	May 2017	Jun 2016	May 2016
Producer Prices								
Producer Price Differential (\$/cwt)	\$0.05	(\$0.14)	\$0.62	\$0.74	+	+	+	+
Butterfat (\$/pound)	2.7066	2.4134	2.4109	2.2846	+	+	+	+
Protein (\$/pound)	1.7545	1.7723	1.4807	1.4935	+	+	+	+
Other Solids (\$/pound)	0.3014	0.3196	0.0628	0.0529	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$7.54	\$7.34	\$5.94	\$6.00
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.6615	2.4129	2.3995	2.2820
Statistical Uniform Price (\$/cwt)	\$16.49	\$15.43	\$13.84	\$13.50	\$16.59	\$15.53	\$14.13	\$13.78
Producer Data								
Number of Producers	445	445	550	553	89	89	91	91
Avg. Daily Production (pounds)	46,133	45,891	45,429	45,126	162,163	162,141	159,273	166,306
Producer Milk Ratios								
Class I	24.67%	25.71%	20.46%	21.24%	23.49%	24.10%	23.45%	22.95%
Class II	6.62%	7.33%	6.27%	6.71%	9.81%	9.13%	12.12%	10.54%
Class III	30.76%	29.60%	41.58%	42.14%	23.82%	23.65%	31.99%	28.62%
Class IV	37.95%	37.36%	31.69%	29.91%	42.88%	43.12%	32.44%	37.89%
Market Shrinkage								
Pounds	9,950,185	7,382,417	11,748,306	8,493,858	1,038,145	1,339,003	1,579,263	1,405,846
% of Producer Milk	1.62%	1.17%	1.57%	1.10%	0.24%	0.30%	0.36%	0.30%

+ Not Applicable. Preliminary data indicated in **bold**.

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	May 2017	Apr 2017	May 2016	Apr 2016	May 2017	Apr 2017	May 2016	Apr 2016
Number of Handlers								
Pool Handlers	21	21	24	22	8	8	8	8
Distributing Plants	11	11	11	12	6	6	6	6
Supply Plants 1/	4	4	7	4	1	1	1	1
Cooperatives	6	6	6	6	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	22	21	21	19	22	22	24	24
Class I Route Disposition In Area								
By Pool Plants	144,841,578	138,043,950	149,882,222	141,174,789	76,528,736	73,806,329	78,667,736	82,399,506
By Producer-Handlers	7,046,875	6,371,805	6,904,574	6,319,696	0	0	0	0
By Other Plants	12,847,259	11,666,382	11,540,074	11,642,984	8,322,994	8,162,480	7,475,295	7,786,438
Total	164,735,712	156,082,137	168,326,870	159,137,469	84,851,730	81,968,809	86,143,031	90,185,944
Producer-Handler Data								
% Class I Use	55.16%	51.54%	59.13%	57.38%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.28%	4.08%	4.10%	3.97%	0.00%	0.00%	0.00%	0.00%

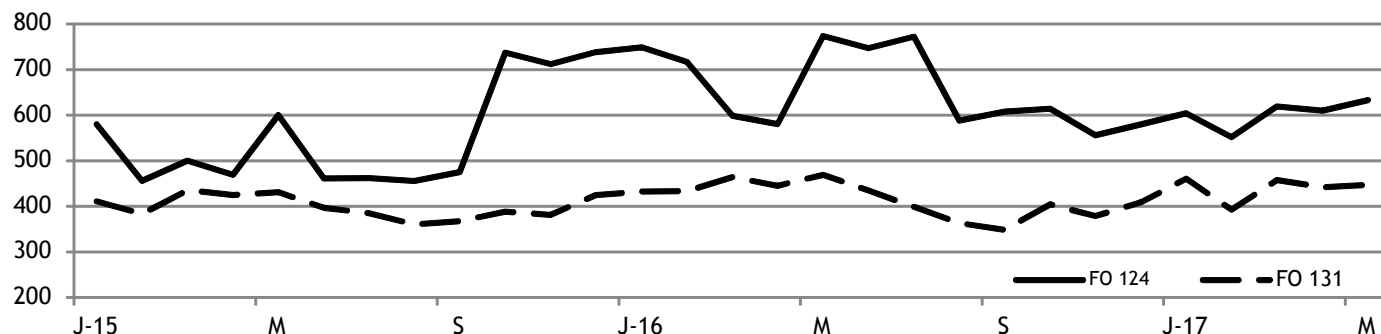
Preliminary data indicated in **bold**. 1/ Includes Cooperative Pool Manufacturing Plants.

Monthly Statistical Summary

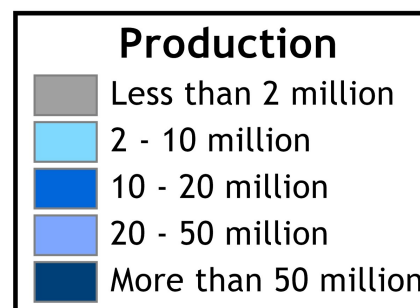
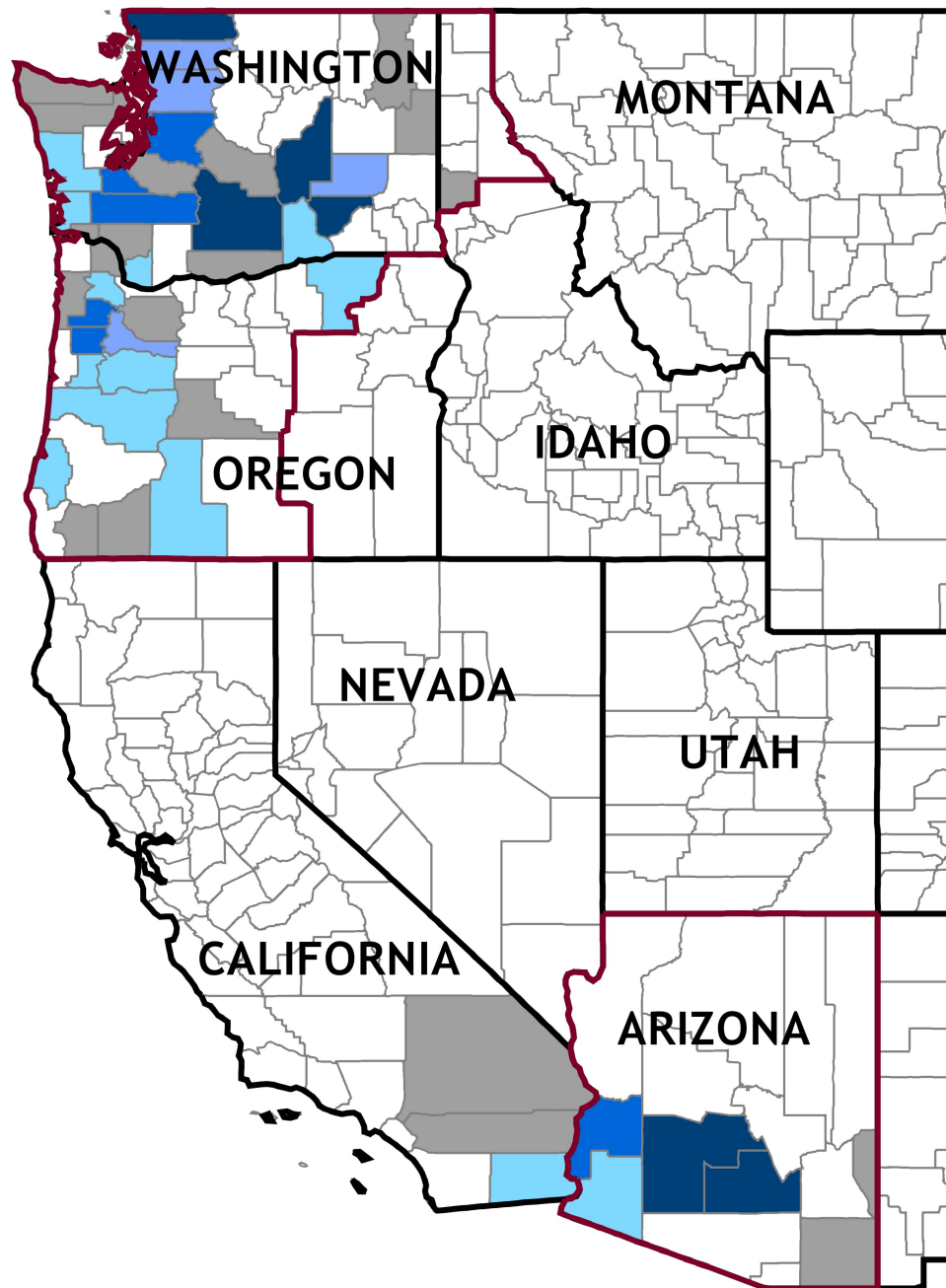
RECEIPTS & UTILIZATION	PACIFIC NORTHWEST				ARIZONA			
	Jun 2017	May 2017	Jun 2016	May 2016	Jun 2017	May 2017	Jun 2016	May 2016
Receipts of Milk								
Total Producer Milk	615,869,578	633,064,445	746,614,703	773,600,435	432,973,951	447,345,641	434,815,433	469,150,626
Receipts From Other Sources	20,326,716	19,203,438	10,529,109	11,708,044	2,715,484	2,901,749	6,463,940	2,904,804
Opening Inventory	37,443,864	34,746,111	41,854,289	39,106,252	21,395,036	23,706,406	21,372,080	23,581,007
Total To Be Accounted For	673,640,158	687,013,994	798,998,101	824,414,731	457,084,471	473,953,796	462,651,453	495,636,437
Utilization of Receipts								
Whole milk	41,116,792	41,464,383	38,723,604	39,660,397	25,604,162	25,785,745	24,667,056	25,463,458
Flavored milk & drinks	10,124,207	13,914,106	8,881,784	13,818,392	4,188,025	6,963,215	4,023,229	6,520,634
2% milk	50,903,800	51,596,764	52,551,350	54,543,380	26,458,103	26,953,589	26,881,155	27,951,969
1% milk	20,602,392	22,937,447	21,630,892	24,930,318	9,732,467	11,255,077	10,447,509	12,234,564
Skim milk	12,617,736	13,303,800	14,204,214	15,299,575	4,988,007	5,571,110	5,651,158	6,497,111
Buttermilk	1,501,933	1,625,078	1,594,560	1,630,160	2/	2/	2/	2/
Class I dispositions in area	136,866,860	144,841,578	137,586,404	149,882,222	70,970,764	76,528,736	71,670,107	78,667,736
Class I dispositions out of area	11,146,194	11,079,933	12,581,469	10,933,752	29,459,046	30,103,893	28,333,787	27,706,681
Other Class I usage	24,976,658	23,166,262	19,856,120	19,677,680	13,050,664	12,075,011	13,308,078	11,446,280
Utilization by Class								
Total Class I Use	172,989,712	179,087,773	170,023,993	180,493,654	113,480,474	118,707,640	113,311,972	117,820,697
Total Class II Use	46,825,300	51,649,580	51,041,672	57,188,911	43,748,776	42,419,359	53,916,881	50,612,387
Total Class III Use	189,827,785	187,757,022	312,537,229	327,446,799	1/	1/	140,509,256	135,002,885
Total Class IV Use	263,997,361	268,519,619	265,395,207	259,285,367	299,855,221	312,826,797	154,913,344	192,200,468
Total Accounted For	673,640,158	687,013,994	798,998,101	824,414,731	457,084,471	473,953,796	462,651,453	495,636,437

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Jun 2017	May 2017	Jun 2016	May 2016	Jun 2017	May 2017	Jun 2016	May 2016
Producer milk								
Class I	151,907,708	162,757,871	152,786,416	164,321,290	101,707,689	107,796,944	101,959,490	107,680,523
Class II	40,763,491	46,421,381	46,842,735	51,894,198	42,486,188	40,833,857	52,698,151	49,448,581
Class III	189,439,631	187,395,170	310,427,947	325,968,113	103,152,468	105,781,858	139,093,960	134,273,493
Class IV	233,758,748	236,490,023	236,557,605	231,416,834	185,627,606	192,932,982	141,063,832	177,748,029
Other receipts								
Class I	21,082,004	16,329,902	17,237,577	16,172,364	11,772,785	10,910,696	11,352,482	10,140,174
Class II	6,061,809	5,228,199	4,198,937	5,294,713	1/	1/	1/	1/
Class III	1/	1/	2,109,282	1,478,686	1/	1/	1,415,296	1/
Class IV	30,626,767	32,391,448	28,837,602	27,868,533	12,337,735	15,697,459	15,068,242	16,345,637
Avg. daily producer receipts	20,528,986	20,421,434	24,887,157	24,954,853	14,432,465	14,430,505	14,493,848	15,133,891
Change From Previous Year	-17.51%	-18.17%	61.99%	28.90%	-0.42%	-4.65%	9.54%	8.79%
Avg. daily Class I use	5,766,324	5,777,025	5,667,466	5,822,376	3,782,682	3,829,279	3,777,066	3,800,668
Change From Previous Year	1.74%	-0.78%	-3.08%	0.95%	0.15%	0.75%	-2.37%	-1.19%

1/ Restricted - Included with Class IV. 2/ Restricted - Included with Flavored milk and drinks.



Pounds of Producer Milk by County: May 2017



AMS News

DAIRY MARKET NEWS 101: UNDERSTANDING DAIRY MARKET REPORTS

The USDA Agricultural Marketing Service's Dairy Program will be hosting a free, live, interactive webinar on understanding Dairy Market News (DMN) reports. The webinar will focus on DMN reports and services that can help your business and decision making. From retail to organic, Dairy Market reports covers the supply, demand, and price situation every week on a regional, national, and international basis for milk, butter, cheese, and dry and fluid products. The presentation will be led by Butch Speth, Acting Branch Chief, and Janet Linder, Acting National Supervisor for the Madison, Wisconsin, Dairy Market News office.

Butch and Janet will present an overview of how DMN collects information and direct you to find the latest market news reports and to access data on the [DMN website](#) and [Market News Portal](#). Other areas covered include:

- The scope and role of Dairy Market News
- The types of market and price information available free to all users
- The process to access current and historic nonfat dry milk data on the Market News Portal
- And the steps to access domestic and international dry whey reports on the DMN website

The webinar will be on July 27, 2017, from 2:00pm-3:00pm Eastern. To Register, visit www.ams.usda.gov or follow this [link](#). 🐮

Source: USDA. Agricultural Marketing Service. Available at www.ams.usda.gov.

AMS TO CONDUCT VERIFICATION AUDITS FOR INFANT FORMULA EXPORTS TO CHINA

On June 15, 2017, USDA's Agricultural Marketing Service (AMS) was recognized as a third-party certifier eligible to conduct verification audits against Chinese requirements for U.S. dairy and infant formula plants intending to export to China.

Since May 2014, the Chinese Certification and Accreditation Administration (CNCA) has required dairy and infant formula plants shipping to China be registered through a publication of plant lists. To be on the CNCA's lists, plants must be found compliant with Chinese laws and regulations.

For information about AMS audit verification services, please email Dairy Grading via DairyNFO@ams.usda.gov.

For further information regarding CNCA's registration requirements, please contact the Foreign Agricultural Service staff via email at agexport@fas.usda.gov. 🐮

Source: USDA. Agricultural Marketing Service. Available at www.ams.usda.gov.



Federal Order Statistics for June 2017

Federal Order Name (Number)	Producer Deliveries	Class I Receipts	Class I Utilization	Class I Price	Uniform Price
	- million pounds -			- per cwt (at location) -	
Northeast (FO 1)	2,270.2	696.6	30.68%	\$18.56	\$17.53
Appalachian (FO 5)	485.3	308.5	63.56%	\$18.71	\$18.37
Florida (FO 6)	204.3	167.6	82.01%	\$20.71	\$20.39
Southeast (FO 7)	451.0	298.8	66.25%	\$19.11	\$18.70
Upper Midwest (FO 30)	2,740.4	250.7	9.15%	\$17.11	\$16.56
Central (FO 32)	1,373.6	375.3	27.32%	\$17.31	\$16.50
Mideast (FO 33)	1,776.9	510.7	28.74%	\$17.31	\$16.71
Pacific Northwest (FO 124)	615.9	151.9	24.67%	\$17.21	\$16.49
Southwest (FO 126)	1,165.6	322.7	27.69%	\$18.31	\$17.33
Arizona (FO 131)	433.0	101.7	23.49%	\$17.66	\$16.59

For links to Market Administrator's webpages, see www.fmmaseattle.com/links.html.



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